

Office of the City Auditor
Kansas City, Missouri

Highlights

Why We Did This Audit

We did this audit because the city had received complaints about the fairness of the Regulated Industries Division's underage liquor sales inspections.

Our work focused on reviewing the effectiveness of the division's administration and enforcement process for underage liquor sales inspections.

Background

The Regulated Industries Division of the city's Neighborhood and Community Services Department administers and enforces the city's alcoholic beverages ordinances.

The division implemented an underage liquor sales inspection program in December 2008. Under the supervision of division investigators, 18- to 20-year-old volunteers attempt to purchase alcohol at restaurants, bars, taverns, and package liquor stores throughout the city.

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To view the complete report go to www.kcmo.org/auditor and click on Audits and Memos.

PERFORMANCE AUDIT

Underage Liquor Sales Inspections

What We Found

Between December 2008 and September 2011, the division conducted 670 underage liquor sales inspections in all areas of the city and all types of businesses with liquor licenses. Only 38 percent of active liquor licenses were inspected during this period and we estimate it would take about six years to inspect all 844 active licenses. Division management's goal is to inspect all licenses every two to three years.

Forty-seven percent of inspected businesses were in compliance on the first inspection and 86 percent were ultimately in compliance following re-inspections. Only 41 percent of re-inspections were conducted within division management's goal of 15 to 90 days after a failed inspection. Additionally, 36 re-inspections following failed inspections had not been conducted.

KCPD also conducts this type of inspections and has in some instances inspected businesses that had already passed a Regulated Industries underage liquor sales inspection.

Overall, the division's processes related to underage liquor sales inspections include many recommended practices, but these are not consistently included in the division's written policies and procedures; including the actual inspection process.

The division's past recruiting efforts resulted in not having enough volunteers to conduct inspections on a consistent basis, but recruiting efforts were recently expanded to include area colleges and neighborhood groups. The training program for volunteers does not include written materials or practice in mock inspections.

What We Recommend

We make a number of recommendations intended to strengthen the effectiveness of enforcement efforts and improve the accountability and consistency of administration efforts. Our recommendations address:

- Developing a written selection and scheduling methodology that matches the division's priorities and goals to the division's resources.
- Exploring opportunities to coordinate with KCPD on underage liquor sales inspection activities.
- Expanding volunteer recruiting efforts, developing a written training program, and revising the division's written policies and procedures.

We also recommended considering the elimination of the underage liquor sales inspection program because these inspections are not required by city code, the lack of volunteers and other regulatory responsibilities adversely impacted the division's ability to consistently conduct these inspections, and KCPD also conducts this type of inspection. Eliminating underage liquor sales inspections would allow the division to focus on other regulatory responsibilities.

Management agreed with the majority of the report recommendations.